

Tips on

Buying a Used Car

Here are some things to keep in mind when shopping for a used car.

BEFORE YOU BUY

- Decide what kind of car and what features you are looking for.
- Educate yourself about the car and its options.
- Check with your insurance company on the cost of insurance for the car you have in mind.
- Get pre-qualified for an auto loan from your lending institution so you know what you can afford.
- Comparison-shop. You will not be able to get out of a contract just because you found a better deal elsewhere after you have already signed a contract.

BEFORE YOU SIGN

- Ask to have the car checked out by a mechanic of your choice, prior to purchasing the car.
- Be sure you have an entire copy of the contract
- Review the contract and make sure you understand all of its terms.

If you do not understand any of the contract items, ASK the sales person to explain to your satisfaction.

- Don't sign the contract if you do not agree to all the terms listed. Make sure all promises are in writing in your contract. Oral promises may not be enforceable.

Generally, there is not 3-day cancellation period or recession period once you sign the contract, so be sure that you want to purchase the car.

There may be a written reference to a 3-day recession period noted in your contract, but this applies only to door-to-door sales and not to the average used car sale transaction.

However, if you were sent a flyer offering you a free prize for going to the dealership to test drive a car, this may be considered a door-to-door sale even if you sign the contract at the dealership.

- As purchaser of the car, you are responsible for providing the insurance. The dealer is not obligated to cancel a contract because you cannot afford to pay for insurance.
- When you see an advertisement in the newspaper for a car, be aware there may be charges in addition to the stated price for tax, license and documentation fees. Always read the fine print.
- As of January 1, 1995, you should receive, prior to the signing of the sales contract:
 1. a written disclosure of all material mechanical defects known to the dealer, and
 2. a written warranty on covered major mechanical parts of the vehicle (as specified in the new law) if they fail during the specified warranty period.

Be aware that not all used vehicles are required to carry warranty. See *brochure on used car "lemon law."*

FINANCING

- Deals may be subject to financing approval. If they are, it means you may have to consider the dealership's financing program as well as those offered by other financing entities.
- You have the option of obtaining financing through the dealership or

from your own financing institution.

- If you apply for financing through the dealership, you will have to sign a financing agreement. If you do not plan to obtain financing through the dealership, you do not have to sign the dealer's financing agreement as a "back-up".
- Do not sign the financing agreement until you receive an entire copy of the contract. Review it and make sure you understand all its terms.
- The dealer may allow you to take the car off the lot even though you have not yet qualified for financing. Be aware that you may be responsible for the vehicle when you take it off the lot.
- If the deal is subject to financing approval and you do not qualify for financing either through the dealership or your financial institution, the contract may be void and you may have to return the car to the dealership.

ADDITIONAL FEES

The car purchase contract may list other fees in addition to the price of the car, such as extended warranties, guaranteed auto protection (GAP) fees and vehicle theft registration (VTR) fees. These fees are normally always optional and you may not want to purchase the services provided by those fees.

If you do not know what the fee is or what it entails, ASK the salesperson to explain it to you. If they tell you that a certain fee is required by law, ask them to specify what law they are referring to and check it out.

The seal of the State of Hawaii is a circular emblem. It features a central shield with a mountain, a rising sun, and a sailing ship. Above the shield is a crown. The words "STATE OF HAWAII" are written in a circle around the top, and "KOA" is at the bottom. The text of the brochure is overlaid on the seal.

**The Regulated Industries
Complaints Office receives,
resolves, investigates and
prosecutes complaints relating
to the industries, boards, and
commissions regulated by
the department.**

Call the DCCA **Consumer Resource Center** at **587-322**. **Press 1** if you would like the complaints history. **Press 2** if you have a consumer complaint against a merchant, car dealership, and other businesses and licensed professionals in Hawaii.

To call Honolulu number from the Neighbor Islands, Dial **Kauai 274-3141**, **Maui 984-2400**, and **Big Island 974-4000**, and **Molokai/Lanai 1-800-468-4644**, then dial the last five digits of the state phone number you want to call, then **press the # sign**.

This printed material can be made available for individuals with special needs in braille, large print or audiotape. Please submit your request to the Complaints and Enforcement Officer at 586-2666.

We will assist you in handling your complaint.

The language of this brochure is for informational purposes only. This brochure is intended as a reference and does not provide legal advice. The information contained in this brochure is subject to change.